

# Osisko Reports Third Quarter 2013 Results

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- **Record Gold Production of 120,208 ounces**
- **Strong Cash Flow from Operations of \$70.7 million**

MONTREAL, QUEBEC -- (Marketwired - Nov 8, 2013) - [Osisko Mining Corp.](#) (the "Company" or "Osisko") (TSX:OSK) (FRANKFURT:EWX) today reported net earnings of \$9.8 million (\$0.02 per share) for the third quarter of 2013 compared to \$28.3 million (\$0.07 per share) for the corresponding period of 2012. The Company generated cash flows from operating activities of \$70.7 million during the third quarter of 2013 compared to \$55.8 million in the third quarter of 2012.

## Q3 Highlights

- Record gold production of 120,208 ounces at operating cash costs of \$754 per ounce;
- Earnings from Canadian Malartic of \$39.0 million;
- Operating cash flows of \$70.7 million;
- Free cash flows<sup>1</sup> of \$32.4 million;
- Net earnings of \$9.8 million or \$0.02 per share;
- Investment of \$38.3 million in mining assets and projects;
- Record tonnage processed at 4.7 million tonnes (average of 54,133 tonnes per operating day);
- Final deposit of \$11.6 million to cover the future rehabilitation costs of the Canadian Malartic mine, for a total deposit to date of \$46.4 million, representing 100% of the required guarantee;
- 2013 gold production estimated at 485,000 ounces;
- On track to deliver over \$80.0 million capital expenditure reduction program;
- Agreement to reschedule payments of \$225.0 million in long-term debt;
- Cash resources now stand at \$171.6<sup>2</sup> million.

Sean Roosen, President and Chief Executive Officer commenting on the third quarter results: "Canadian Malartic operations continue to evolve in accordance with our plan. We continue to improve in all facets of the operations: safety performance, community relations, mill availability and throughput. We achieved record gold output during the period. Despite softness in the gold markets, we delivered strong cash flow from operations of \$70.7 million. We will continue our efforts to optimize operations and costs to ensure that Canadian Malartic delivers strong sustained cash flows for our shareholders."

The mine operating statement for the production period is as follows:

	2013			2012 (Restated) <sup>3</sup>			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Gold sales (ounces)	123,151	109,503	95,511	111,104	95,424	95,675	92,400
Silver sales (ounces)	117,750	95,205	73,683	74,100	49,751	48,880	52,800
	(\$000 )	(\$000 )	(\$000 )	(\$000 )	(\$000 )	(\$000 )	(\$000 )
Revenues	171,298	159,195	159,381	191,080	158,503	157,134	158,658
Production costs	(92,265 )	(90,619 )	(81,422 )	(95,307 )	(77,684 )	(89,494 )	(69,932 )
Royalties	(2,144 )	(2,274 )	(1,992 )	(2,546 )	(1,998 )	(2,021 )	(2,359 )
Depreciation	(37,902 )	(23,683 )	(20,982 )	(20,058 )	(15,318 )	(15,635 )	(13,909 )
Total	(132,311 )	(116,576 )	(104,396 )	(117,911 )	(95,000 )	(107,150 )	(86,200 )
Earnings from mine operations	38,987	42,619	54,985	73,169	63,503	49,984	72,458

## Key operating results

(in thousands of Canadian dollars, unless otherwise noted)

	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Gold production (oz)	120,208	111,701	106,047	101,544	103,753	92,003	91,178

Gold sales (oz)	123,151	109,503	95,511	111,104	95,424	95,675	92,400
Average sale price (US\$/oz)	1,321	1,396	1,627	1,709	1,659	1,605	1,698
Average market price (US\$/oz)	1,326	1,415	1,632	1,722	1,652	1,609	1,691
Cash costs per ounce <sup>3,4</sup> (C\$/oz)	754	781	804	833	851	892	821
Cash costs per ounce <sup>3,4,5</sup> (US\$/oz)	726	765	798	840	855	883	820
Cash margin per ounce <sup>3,4</sup> (US\$/oz)	595	631	829	869	804	722	878
Revenues	171,298	159,195	159,381	191,080	158,503	157,134	158,658
Earnings from mine operations <sup>3</sup>	38,987	42,619	54,985	73,169	63,503	49,984	72,458
Net earnings (loss) <sup>3</sup>	9,755	(492,762 )	17,416	12,866	28,343	18,984	30,595
Net earnings (loss) per share <sup>3</sup>	0.02	(1.13 )	0.04	0.03	0.07	0.05	0.08
Operating cash flows <sup>3</sup>	70,665	55,947	62,478	64,608	55,806	68,212	82,879

The mill operating team continues to work at improving the mill throughput and availability. September was a very strong month with the average throughput rate exceeding the 55,000 tonnes per day name plate capacity by 5.3%. The mine generated earnings of \$39.0 million during the quarter (YTD: \$136.6 million), compared to \$63.5 million in the corresponding period in 2012 (YTD 2012: \$185.9 million). The decrease in profitability is due to a 20.4% (YTD: 13.2%) decline in the US\$ price realized on the sale of gold and higher depreciation charges due to increased gold output.

During the quarter, approximately 5,180 equipment hours (6.8% of available hours) were lost due to noise and weather constraints, compared to 4,470 equipment hours (5.9% of available hours) in the second quarter of 2013 and 5,830 (6.0% of available hours) equipment hours in the third quarter of 2012.

The production statistics are as follows:

	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Tonnes Mined (000's)							
- Ore	4,423	3,604	4,091	3,553	4,853	3,234	4,037
- Waste <sup>6</sup>	11,335	10,010	10,158	7,847	9,215	9,545	8,458
Total Mined	15,758	13,614	14,249	11,400	14,068	12,779	12,495
Overburden	305	871	1,783	627	1,409	1,740	1,954
Tonnes Milled (000's)	4,683	4,444	4,234	4,088	3,757	3,236	2,965
Grade (g Au/t)	0.90	0.87	0.88	0.87	0.97	0.99	1.05
Recovery (%)	89.2	89.7	88.0	88.8	88.7	89.2	91.2
Gold production (oz)	120,208	111,701	106,047	101,544	103,753	92,003	91,178

The third quarter tonnes mined constitute a record for the mine. However, mining activities continue to be affected by challenging conditions due to operating close to an urban area and working over old underground stopes.

Production in the third quarter of 2013 improved to an average 54,133 tonnes per operating day compared to 52,592 tonnes per operating day in the previous quarter and 43,181 tonnes per operating day in the third quarter of 2012. Continued optimization of operations at the mill, the two cone crushers and the additional pebble crusher installed in 2012 allowed the mill to reach new records in the third quarter. In coordination with the technical advisors, the Canadian Malartic team continues to work on improving the mill throughput and enhancing operating efficiencies.

Mill operating statistics continue to show progress in all categories.

	Total Available Hours	Operating Hours	(%)	Tonnage Processed (t)	Tonnes per Operating Hour	Tonnes per Operating Day
Q3 2013	2,208	2,061	93	4,682,530	2,272	54,133
Q2 2013	2,184	2,014	92	4,444,042	2,207	52,592
Q1 2013	2,160	2,082	96	4,234,001	2,033	48,667
Q4 2012	2,208	2,052	93	4,088,021	1,992	47,535
Q3 2012	2,208	2,071	94	3,756,768	1,814	43,181
Q2 2012	2,184	1,960	90	3,236,281	1,651	38,074
Q1 2012	2,184	1,890	87	2,965,456	1,569	35,728

## Operating Costs

Cash costs per ounce<sup>7</sup> for the third quarter and the first nine months of 2013 stood at \$754 and \$779 respectively, compared to \$851<sup>8</sup> and \$855<sup>8</sup> in the corresponding periods of 2012. The improvement over the comparative periods in 2012 is mainly the result of increased throughput and gold production, improved efficiencies and reduction in contractors' costs.

The Company continues to pursue operating efficiencies, and has intensified its cost optimization program as the operations are now at near name plate capacity. Management expects that operating costs will continue to decline over the next year as it reaps the benefits of its optimization and cost reduction efforts.

### Adjusted Net Earnings<sup>9</sup>

Excluding specific non-cash items, adjusted net earnings<sup>9</sup> amounted to \$21.9 million (\$0.05 per share) during the third quarter of 2013 compared to \$50.4 million (\$0.13 per share) in the third quarter of 2012.

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2013	Sept. 30, 2012	Sept. 30, 2013	Sept. 30, 2012
(In thousands of dollars, except for amounts per share)				
Net earnings (loss)	9,755	28,343	(465,591 )	77,922
Impairment of Hammond Reef gold project	-	-	530,878	-
Write-off of property, plant and equipment	1,926	102	17,000	719
Share-based compensation	2,038	2,273	6,059	7,612
Unrealized loss on investments	185	(830 )	2,141	1,095
Impairment on available-for-sale assets	1,348	428	4,632	1,522
Deferred income and mining tax expense (recovery)	6,600	20,117	(12,034 )	56,838
Adjusted net earnings <sup>9</sup>	21,852	50,433	83,085	145,708
Adjusted net earnings per share <sup>9</sup>	0.05	0.13	0.19	0.38

The decrease in adjusted net earnings<sup>9</sup> is mainly the result of lower average selling prices of gold during the third quarter of 2013 and higher depreciation charges.

### Investments

The Company invested \$38.3 million in property, plant and equipment during the third quarter. These investments were mainly focused on the Canadian Malartic mine (stripping costs, sustaining capital and expansion) and the Kirkland Lake and Upper Beaver exploration projects.

Volatility in the gold price and financial markets earlier this year has led Osisko to review in April its rate of discretionary spending in exploration and advancing new projects. As previously announced, the Company is decreasing discretionary spending for 2013 by over \$80 million.

### Upper Beaver Project and Kirkland Lake - Larder Camp

On December 28, 2012, Osisko completed the acquisition of [Queenston Mining Inc.](#) As part of the transaction, the Company acquired the Upper Beaver Project and a package of lands covering 230 km<sup>2</sup> in the rich Kirkland Lake Gold Camp, which has produced in the past over 40 million ounces. Queenston had consolidated the land package over the past 20 years. To date, there have been several satellite deposits identified that could feed a regional mill. [Queenston Mining Inc.](#) changed its name to Osisko Mining Ltd. on January 16, 2013.

The work at Upper Beaver is focused on drilling deep holes to test extensions of known zones. The Company has completed approximately 34,795 meters of drilling since January 1, 2013. Work is currently limited to compiling information generated during the 2013 drilling phase, and to review the geological data for the entire camp.

Construction of the head frame and surface facilities has been delayed. The shaft sinking has also been delayed following the completion of the shaft collar. The pause in the project execution plan allows for the

review of the construction and development approach with the aim of reducing the capital outlays. This reassessment period will result in a deferral of approximately \$50 million of the planned Upper Beaver outlays of \$70 million for 2013.

The Company has completed 70,506 meters on various regional targets in the Kirkland Lake - Larder camp, including 2,430 meters in the third quarter of 2013. Drilling activities have been reduced to focus on compilation and assessment of the results. The exploration expenditures at Kirkland Lake for 2013 are estimated at the original budget of \$20 million.

### Hammond Reef Gold Project

Osisko acquired the Hammond Reef gold project located near Atikokan in Northwestern Ontario, through the acquisition of publicly traded [Brett Resources Inc.](#) in mid 2010 for \$375.0 million. Hammond Reef is a large development project with potential to become a substantial open-pit mine. In the third quarter of 2013, efforts were focused on the preparation of the feasibility study and the publication of the environmental assessment report.

A new resource estimate for Hammond Reef was released on January 28, 2013. As per the estimate, global measured and indicated resources currently stand at 5.43 million ounces gold at an average grade of 0.86 g/t Au and the global inferred resource stands at 1.75 million ounces gold at an average grade of 0.72 g/t (based on 0.50 g/t Au lower cut-off).

### Hammond Reef Global Resource Estimates

Category	Grade (g/t)	Tonnes (M)	Cut-off (g/t)	Oz (M)
Measured	0.90	123.5	0.5	3.59
Indicated	0.78	72.9	0.5	1.83
M+I	0.86	196.4	0.5	5.43
Inferred	0.72	75.7	0.5	1.75

Further, a whittle pit optimized undiluted resource was calculated (US\$1,400 whittle pit shell), totaling 5.31 million ounces of gold at an average grade of 0.72 g/t in the measured and indicated category, and 0.28 million ounces of gold at an average grade of 0.65 g/t in the remaining inferred category.

### Hammond Reef Undiluted Resource Estimates within US\$1,400 Whittle pit shell

Category	Grade (g/t)	Tonnes (M)	Cut-off (g/t)	Oz (M)
Measured	0.75	175.3	0.32	4.25
Indicated	0.61	54.1	0.32	1.06
M+I	0.72	229.5	0.32	5.31
Inferred	0.65	13.3	0.32	0.28

Osisko's technical team is progressing on the feasibility study for the project. Due to significant inflation in the mineral industry over the past few years, the preliminary estimate of capital cost for a 60,000 tonnes per day operation ranges between \$1.5 and \$1.8 billion. Gold output is estimated to average 400,000 ounces per annum at a production cost of \$800 to \$850 per ounce. The group is continuing to review alternatives to optimize capital costs and improve the returns. Under the current scenario, the Hammond Reef gold project requires higher gold prices to justify the investment.

Based on preliminary feasibility results and current market conditions in the gold sector, the Company undertook a review of the project during the second quarter. The Company conducted impairment testing of Hammond Reef in conformity with IFRS practices and determined that an impairment charge of \$487.8 million, net of a deferred tax recovery of \$43.1 million, was necessary. Accordingly, the project value recorded on the Company's books was reduced to nil.

The Company will continue to pursue low-cost permitting activities in the near-term and will continue to monitor market conditions.

## Exploration

Prior to mid 2009, the Company's efforts were focused solely on the development of its flagship asset, the Canadian Malartic mine. Following the securing of the financing, the necessary authorizations and the construction release, the Company began to seek other opportunities to complement the Canadian Malartic mine. The overall objective is for Osisko to achieve the status of a leading intermediate gold producer with annual production of 1 million ounces. The principle strategy is to create value through the identification and development of gold reserves and resources.

To build on its gold mining asset base, the Company has acquired advanced exploration projects, has entered into exploration agreements, staked ground, and invested in various public and private exploration companies with promising gold projects. Osisko continues to focus its efforts on its new Kirkland Lake area properties and its Guerrero Gold Belt properties in Mexico.

In Guerrero, Osisko continues to pursue initial grassroots activities including trenching and sampling, studying geochemistry and geophysical data, identifying drill targets and conducting initial drilling. Efforts were hampered by adverse weather conditions, which severely impacted local infrastructures. Osisko is working with various communities to repair these infrastructures, meanwhile the exploration program has resumed in October.

Osisko enjoys flexibility on its major projects, a benefit of being the sole owner, and thus can select the rate of execution of its investment programs without concern for compromising ownership rights.

## Liquidity and Capital Resources

As at September 30, 2013, the Company's cash and cash equivalents, short-term investments and restricted cash amounted to \$171.6 million compared to \$155.5 million as at December 31, 2012, as summarized below:

(In thousands of dollars)	September 30, 2013	December 31, 2012
Cash and cash equivalents	121,770	93,229
Short-term investments	-	19,357
Restricted cash		
Current	558	4,563
Non-current	49,262	38,362
	<u>171,590</u>	<u>155,511</u>

Short-term investments were acquired as part of the acquisition of Queenston as at December 28, 2012 and were converted into cash and cash equivalents during the first quarter of 2013 to increase the flexibility of available liquidities. In June the Company also collected the \$30.0 million note receivable from [Kirkland Lake Gold Inc.](#) related to the sale of properties by Queenston prior to its acquisition by Osisko.

On July 5, 2013, Osisko deposited \$11.6 million with the Government of Québec, representing the balance of the total guarantee required to cover the entire future costs of rehabilitating the Canadian Malartic mine site. The aggregate deposits with the Government of Québec amount to \$46.4 million. Osisko is the first mining company in Quebec to deposit its full financial guarantee at commencement of operations, exceeding the legislation currently in force in Québec.

### Modifications to long-term debt terms

In July 2013, the Company entered into agreements with CPPIB Credit Investments Inc. ("CPPIB"), the Caisse de dépôt et placement du Québec ("CDPQ") and Ressources Québec ("RQ") to modify certain terms of its long-term debt facilities. These modifications have not been reflected in the financial statements yet and the Company will assess the financial impact of the amendments on its consolidated financial statements on the closing date of the agreements.

- CPPIB loan (\$150.0 million)

- The loan repayments that were previously based on cash flow availability will now be based on pre-determined fixed amounts. The first repayment will be postponed to 2014.
- The fixed interest rate will be revised to 6.875% (from 7.5% previously).
- The maturity date of the 12.5 million warrants held by CPPIB will be extended to September 30, 2017 and the exercise price will be modified to \$6.25 per warrant. The exercise of the warrants may be accelerated at the Company's option if the Osisko shares trade at a price above \$8.15 for 20 consecutive days.
- The delayed drawdown facility (\$100.0 million) established in May 2012 will be cancelled;
- The maturity date of the loan will be postponed to June 30, 2017.

- Convertible debentures (\$75.0 million)
  - The maturity date of the convertible debentures will be postponed to November 2017.
- The following table presents the new repayment schedule of the CPPIB and the convertible debentures, which will be convertible into Osisko shares (in millions of dollars) prior to the due date at the price of \$6.25 per share (previously \$9.18 per share).

	CPPIB	CDPQ	RQ	Total
2014	30.0	-	-	30.0
2015	40.0	-	-	40.0
2016	40.0	-	-	40.0
2017	40.0	37.5	37.5	115.0
	150.0	37.5	37.5	225.0

The agreements are conditional on finalization of documentation to the satisfaction of all parties, obtaining the necessary regulatory authorizations and on payment of transaction fees, which are expected to be all completed by the end of the month of November 2013.

### Outlook for 2013

In accordance with the operating plan and the ongoing optimization program, the mill should be operating at the 55,000 tonnes per day name plate capacity during the fourth quarter of 2013. Gold production is estimated at 485,000 ounces for the year. Cash costs per ounce<sup>10</sup> are estimated at approximately \$770, a 9% reduction in costs from 2012 with improved operations and higher gold output.

Following the issuance of a new IFRS accounting pronouncement with respect to stripping costs in the production phase of a surface mine, the Company capitalizes stripping costs when they meet the requirements of a stripping activity asset. Capitalized stripping costs are not reflected in the table below. The change in policy has no impact on cash and cash equivalents.

Volatility in the gold price and financial markets in 2013 has led Osisko to review its rate of discretionary spending in exploration and advancing new projects. As a result, the Company decreased discretionary spending for 2013 by over \$80 million.

Capital expenditures for 2013 are now estimated at \$138 million as follows:

(in millions of dollars)	Revised budget <sup>(a)</sup>	Original budget	Reduction
Canadian Malartic mine	80.8	98.0	17.2
Upper Beaver project	18.5	70.0	51.5
Hammond Reef	7.0	10.0	3.0
Exploration - capitalized	31.6	42.0	10.4
Capital expenditures	137.9	220.0	82.1

(a) Excluding variation in accounts payable related to the Canadian Malartic expansion, Hammond Reef, Upper Beaver and Kirkland Lake projects.

### Outstanding Share Data

As of November 8, 2013, 437,763,999 common shares were issued and outstanding. A total of 23,100,695 common share options were outstanding to purchase common shares under the Company's share option plan and 12,500,000 common share purchase warrants were outstanding.

### Q3 Conference Call Information

Osisko will host a conference call on Friday, November 8, 2013 at 14:00 ET, where senior management will discuss the financial results and provide an update of the Company's activities. Those interested in participating in the conference call should dial in approximately five to ten minutes before the start of the conference to allow ample time to access at 1 416 981 9000 (Toronto local and international), or 800 736 4610 (North American toll free). An operator will direct participants to the call.

The conference call replay will be available from 16:00 ET on November 8, 2013 until 23:59 ET on November 22, 2013 with the following dial in number: 1 416 626 4100 or toll-free 800 558 5253, access code 21676744.

## Non-IFRS Measures of Performance

The Company has included certain non-IFRS measures including "*cash costs per ounce*", "*cash margin per ounce*", "*adjusted net earnings*" and "*adjusted net earnings per share*" to supplement its consolidated financial statements, which are presented in accordance with IFRS.

The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

### Cash costs per ounce

"Cash costs per ounce" is defined as the production costs of one ounce of gold excluding non-cash costs for a certain period. "*Cash costs per ounce*" is obtained from "*Production costs*" and "*Royalties*" less non-cash "*Share-based compensation*" and "*By-product credits (silver sales)*", adjusted for "*Production inventory variation*" for the period, divided by the "*Number of ounces of gold produced*" for the period.

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Gold ounces produced	120,208	103,753	337,956	286,934
<i>(in thousands of dollars, except per ounce)</i>				
Production costs	92,265	77,684	264,306	237,110
Royalties	2,144	1,998	6,410	6,378
Share-based compensation	(559 )	(696 )	(1,820 )	(2,230 )
By-product credit (silver sales)	(2,620 )	(1,479 )	(7,066 )	(4,634 )
Inventory variation	(573 )	10,785	1,384	8,656
Total cash costs for the period	90,657	88,292	263,214	245,280
Cash costs per ounce	754	851	779	855

### Cash margin per ounce

"Cash margin per ounce" is defined as the "*Average selling price of gold per ounce sold*" less "*Cash costs per ounce produced*" for the period.

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Average selling price of gold (per ounce sold)	1,370	1,646	1,471	1,657
Cash costs (per ounce produced)	754	851	779	855
Cash margin per ounce	616	795	692	802

### Adjusted net earnings and adjusted net earnings per share

"Adjusted net earnings" is defined as "*Net earnings*" less certain non-cash items: "*Write-off of property, plant and equipment*", "*Share-based compensation*", "*Unrealized gain (loss) on investments*", "*Impairment on available-for-sale assets*", and "*Deferred income and mining tax expense (recovery)*".

"Adjusted net earnings per share" is obtained from the "*Adjusted net earnings*" divided by the "*Weighted*

average number of common shares outstanding" for the period.

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
<i>(in thousands of dollars, except per share amounts)</i>				
Net earnings (loss) for the period	9,755	28,343	(465,591 )	77,922
Adjustments:				
Impairment of property, plant and Equipment	-	-	530,878	-
Write-off of property, plant and equipment	1,926	102	17,000	719
Share-based compensation	2,038	2,273	6,059	7,612
Unrealized loss (gain) on investments	185	(830 )	2,141	1,095
Impairment on available-for-sale assets	1,348	428	4,632	1,522
Deferred income and mining tax expense (recovery)				
Related to the impairment of property, plant and equipment	-	-	(43,100 )	-
Other	6,600	20,117	31,066	56,838
Adjusted net earnings	21,852	50,433	83,085	145,708
Weighted average number of common shares outstanding (000's)	437,186	388,153	436,797	387,588
Adjusted net earnings per share	0.05	0.13	0.19	0.38

## About Osisko Mining Corporation

[Osisko Mining Corp.](#) operates the Canadian Malartic Gold Mine in Malartic, Québec and is pursuing exploration on a number of properties in Ontario and Mexico.

Mr. Luc Lessard, Eng., Senior Vice-President and Chief Operating Officer of Osisko, is the Qualified Person who has reviewed this news release and is responsible for the technical information reported herein, including verification of the data disclosed.

## Cautionary Notes Concerning Estimates of Mineral Resources

*This news release uses the terms measured, indicated and inferred resources as a relative measure of the level of confidence in the resource estimate. Readers are cautioned that mineral resources are not economic mineral reserves and that the economic viability of resources that are not mineral reserves has not been demonstrated. In addition, inferred resources are considered too geologically speculative to have any economic considerations applied to them. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for Preliminary Assessment as defined under NI 43-101. Readers are cautioned not to assume that that further work will lead to mineral reserves that can be mined economically.*

*For further information in relation to the Hammond Reef project, please refer to the "Technical Report on the Hammond Reef Gold Property Atikokan area, Ontario" dated December 20, 2011. For further information in relation to the Canadian Malartic project, please refer to the "Feasibility Study - Canadian Malartic Project (Malartic, Quebec)", dated December 2008. Both of these reports are available under the Osisko profile at [www.sedar.com](http://www.sedar.com).*

*For further information in relation to the Upper Beaver project, please refer to the "Technical Report on the Upper-Beaver Gold-Copper Project, Ontario, Canada" dated November 9, 2012, which is available under the Queenston profile at [www.sedar.com](http://www.sedar.com).*

## Forward-Looking Statements

*Certain statements contained in this press release may be deemed "forward-looking statements". All statements in this release, other than statements of historical fact, that address events or developments that Osisko expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "scheduled" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur including, without limitation, continued decline in operating costs as a result of optimization and cost reductions efforts will allow the Canadian Malartic Mine to deliver strong sustained cash flows, that exploration work would lead to*

commercial production of several satellite deposits identified in the Kirkland Lake gold camp which could feed a regional mill, that exploration expenditures at Kirkland Lake will be on target with the original budget, that the Company will be successful in reviewing alternatives to optimize the Hammond Reef preliminary estimate of capital cost for a 60,000 tonnes per day operations and improve the returns, that the Company will be successful in finalizing the modifications to its long-term debt terms, that the Canadian Malartic mill should be operating at the 55,000 tonnes per day name plate capacity during the fourth quarter of 2013, that the Company will produce 485,000 ounces of gold in 2013 at cash costs per ounce of approximately \$770, and that the capital expenditures estimate for 2013 will total \$138 million. Although Osisko believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, including, without limitation, that all technical, economical and financial conditions will be met in order to achieve such events qualified by the foregoing cautionary note regarding forward looking statements, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include gold prices, access to skilled consultants, mining development and construction personnel, results of exploration and development activities, Osisko's limited experience with production and mining operations, uninsured risks, regulatory framework and changes, defects in title, availability of personnel, materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations, unanticipated environmental impacts on operations market prices, continued availability of capital and financing and general economic, market or business conditions. These factors are discussed in greater detail in Osisko's most recent Annual Information Form and in the most recent Management Discussion and Analysis filed on SEDAR, which also provide additional general assumptions in connection with these statements. Osisko cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. Osisko believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release.

Osisko Mining Corporation  
Consolidated Balance Sheets  
(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	September 30, 2013	December 31, 2012
		(restated - see note)
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	121,770	93,229
Short-term investments	-	19,357
Restricted cash	558	4,563
Accounts receivable	24,590	32,266
Note receivable	-	30,000
Inventories	73,481	70,481
Prepaid expenses and other assets	25,014	21,274
	<u>245,413</u>	<u>271,170</u>
<b>Non-current assets</b>		
Restricted cash	49,262	38,362
Investments in associates	8,138	8,933
Other investments	8,447	16,894
Property, plant and equipment	1,876,745	2,352,546
	<u>2,188,005</u>	<u>2,687,905</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	75,657	100,931
Current portion of long-term debt	93,963	76,883
Provisions and other liabilities	4,003	1,405
	<u>173,623</u>	<u>179,219</u>
<b>Non-current liabilities</b>		
Long-term debt	234,605	260,529
Provisions and other liabilities	17,371	18,618

Deferred income and mining taxes	55,487	67,521
	481,086	525,887
Equity attributable to <a href="#">Osisko Mining Corp.</a> shareholders		
Share capital	2,053,785	2,048,843
Warrants	19,311	19,311
Contributed surplus	72,404	65,868
Equity component of convertible debentures	8,005	8,005
Accumulated other comprehensive loss	(2,134 )	(1,148 )
Retained earnings (deficit)	(444,452 )	21,139
	1,706,919	2,162,018
	2,188,005	2,687,905

### [Osisko Mining Corp.](#)

#### Consolidated Statements of Income (Loss)

For the three and nine months ended September 30, 2013 and 2012

(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
		(restated - see note)		(restated - see note)
	(\$)	(\$)	(\$)	(\$)
Revenues	171,298	158,503	489,874	474,295
Mine operating costs				
Production costs	(92,265 )	(77,684 )	(264,306 )	(237,110 )
Royalties	(2,144 )	(1,998 )	(6,410 )	(6,378 )
Depreciation	(37,902 )	(15,318 )	(82,567 )	(44,862 )
Earnings from mine operations	38,987	63,503	136,591	185,945
General and administrative expenses	(9,048 )	(7,601 )	(22,222 )	(20,950 )
Exploration and evaluation expenses	(6,081 )	(2,852 )	(27,119 )	(8,105 )
Impairment of property, plant and equipment	-	-	(530,878 )	-
Earnings (loss) from operations	23,858	53,050	(443,628 )	156,890
Interest income	387	233	1,270	1,145
Finance costs	(8,177 )	(7,983 )	(24,466 )	(22,825 )
Foreign exchange gain (loss)	1,918	3,431	(3,458 )	3,160
Share of loss of associates	(52 )	(353 )	(796 )	(628 )
Other gains (losses)	(1,579 )	82	(6,547 )	(2,982 )
Earnings (loss) before income and mining taxes	16,355	48,460	(477,625 )	134,760
Income and mining tax recovery (expense)	(6,600 )	(20,117 )	12,034	(56,838 )
Net earnings (loss)	9,755	28,343	(465,591 )	77,922
Net earnings (loss) per share				
Basic	0.02	0.07	(1.07 )	0.20
Diluted	0.02	0.07	(1.07 )	0.20
Weighted average number of common shares outstanding (in thousands)				
Basic	437,186	388,153	436,797	387,588
Diluted	437,782	390,238	436,797	389,653

### Osisko Mining Corporation

#### Consolidated Statements of Cash Flows

For the three and nine months ended September 30, 2013 and 2012

(Unaudited)

(tabular amounts expressed in thousands of Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
		(restated - see		(restated - see

		note)		note)
	(\$)	(\$)	(\$)	(\$)
Operating activities				
Net earnings (loss)	9,755	28,343	(465,591 )	77,922
Adjustments for:				
Interest income	(387 )	(233 )	(1,270 )	(1,145 )
Share-based compensation	2,038	2,273	6,059	7,612
Depreciation	38,178	15,478	83,280	45,339
Finance costs	8,177	7,983	24,466	22,825
Write-off of property, plant and equipment	1,926	102	17,000	719
Impairment of property, plant and equipment	-	-	530,878	-
Gain on disposal of property, plant and equipment	(66 )	-	(239 )	(319 )
Unrealized foreign exchange loss (gain)	(1,915 )	(3,644 )	3,240	(3,469 )
Share of loss of associates	52	353	796	628
Net loss (gain) on available-for-sale financial assets	161	(670 )	1,012	(450 )
Net loss (gain) on financial assets at fair value through profit and loss	24	(160 )	1,129	1,545
Impairment on available-for-sale financial assets	1,348	428	4,632	1,522
Provisions and other liabilities	2,677	1,797	1,767	1,879
Income and mining tax expense (recovery)	6,600	20,117	(12,034 )	56,838
Other non-cash gain	-	-	(139 )	-
	68,568	72,167	194,986	211,446
Change in non-cash working capital items	2,097	(16,361 )	(5,896 )	(4,549 )
Net cash flows provided by operating activities	70,665	55,806	189,090	206,897
Investing activities				
Net decrease in short-term investments	-	-	19,357	-
Net decrease (increase) in restricted cash	(11,611 )	4,238	(6,895 )	4,749
Proceeds from note receivable	-	-	30,000	-
Acquisition of investments	-	(3,404 )	-	(10,950 )
Proceeds on disposal of investments	-	1,364	1,045	1,838
Property, plant and equipment, net of government credits	(38,313 )	(58,329 )	(163,917 )	(206,634 )
Proceeds on disposal of property, plant and equipment	327	-	695	-
Interest received	234	232	1,827	1,027
Net cash flows used in investing activities	(49,363 )	(55,899 )	(117,888 )	(209,970 )
Financing activities				
Long-term debt transaction costs	(113 )	(6 )	(113 )	(116 )
Long-term debt repayments	(3,082 )	(1,250 )	(8,634 )	(3,750 )
Finance lease payments	(7,658 )	(5,736 )	(20,350 )	(16,702 )
Issuance of common shares, net of expenses	1,713	8,409	3,096	17,896
Interest paid	(5,878 )	(5,588 )	(16,660 )	(16,665 )
Net cash flows used in financing activities	(15,018 )	(4,171 )	(42,661 )	(19,337 )
Increase (decrease) in cash and cash equivalents	6,284	(4,264 )	28,541	(22,410 )
Cash and cash equivalents - beginning of period	115,486	82,524	93,229	100,670
Cash and cash equivalents - end of period	121,770	78,260	121,770	78,260

### Note on restatement of 2012 balances

Balances related to 2012 have been restated to reflect the impact of the adoption of IFRIC 20, *Stripping*

*Costs in the Production Phase of a Surface Mine.* IFRIC 20 provides guidance on the accounting for the costs of stripping activities during the production phase of surface mining when two benefits accrue to the entity as a result of the stripping: useable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in the future periods. The Company adopted IFRIC 20 effective January 1, 2013. Upon adoption of IFRIC 20, the Company assessed the stripping asset on the balance sheet as at January 1, 2012 and determined that there are identifiable components of the ore body with which this stripping asset can be associated, and therefore no balance sheet adjustment was recorded at that date. The adoption of IFRIC 20 has resulted in increased capitalization of waste stripping costs and a reduction in mine operating costs in 2012. If the Company had not adopted IFRIC 20, the net earnings for the three months ended September 30, 2013 would have decreased, the net loss for the nine months ended September 30, 2013 would have increased the net earnings for the comparative periods would have decreased and capitalized waste stripping costs for the current and comparative periods would have decreased.

The impact of adopting IFRIC 20 in the prior year consolidated financial statements is presented below:

(a) Adjustments to the consolidated balance sheets:

	As at December 31, 2012 (previously stated)	Impact of IFRIC 20	As at December 31, 2012 (restated)
	\$	\$	\$
Inventories	73,795	(3,314 )	70,481
Property, plant and equipment	2,329,773	22,773	2,352,546
Deferred income and mining taxes	(60,426 )	(7,095 )	(67,521 )
Increase in retained earnings		<u>12,364</u>	

(b) Adjustments to the consolidated statements of income:

	Three months ended September 30, 2012 (previously stated)	Impact of IFRIC 20
	\$	\$
Mine operating costs	(81,841)	
Production costs	(14,605)	4,157
Depreciation	(18,860)	(713 )
Income and mining tax expense		<u>(1,257 )</u>
Increase in net earnings		<u>2,187</u>
Increase in net earnings per share and diluted net earnings per share		<u>0.01</u>

	Nine months ended September 30, 2012 (previously stated)	Impact of IFRIC 20	Nine months ended September 30, 2012 (restated)
	\$	\$	\$
Mine operating costs			
Production costs	(252,588 )	15,478	(237,110)
Depreciation	(43,771 )	(1,091 )	(44,862)
Income and mining tax expense	(51,587 )	(5,251 )	(56,838)
Increase in net earnings		<u>9,136</u>	
Increase in net earnings per share and diluted net earnings per share		<u>0.02</u>	

(c) Adjustments to the consolidated statements of cash flows:

	Three months ended September 30, 2012 (previously stated)	Impact of IFRIC 20	Three months ended September 30, 2012 (restated)
	\$	\$	\$
Net earnings	26,156	2,187	28,343
Adjusted for the following items:			

Depreciation	14,765	713	15,478
Income and mining tax expense	18,860	1,257	20,117
Change in non-cash working capital items:			
Increase in inventories	(18,459 )	(3,704 )	(22,163 )
Net cash flows provided by operating activities		453	
Property, plant and equipment	(57,876 )	(453 )	(58,329 )
Net cash flows used in investing activities		(453 )	
Net change in cash and cash equivalents		-	
	Nine months ended September 30, 2012 (previously stated)	Impact of IFRIC 20	Nine months ended September 30, 2012 (restated)
	\$	\$	\$
Net earnings	68,786	9,136	77,922
Adjusted for the following items:			
Depreciation	44,248	1,091	45,339
Income and mining tax expense	51,587	5,251	56,838
Change in non-cash working capital items:			
Increase in inventories	(32,174 )	1,652	(30,522 )
Net cash flows provided by operating activities		17,130	
Property, plant and equipment	(189,504 )	(17,130 )	(206,634 )
Net cash flows used in investing activities		(17,130 )	
Net change in cash and cash equivalents		-	

(1) Free cash flows represent net cash flows provided by operating activities less property, plant and equipment in the Consolidated Statements of Cash Flows.

(2) Includes cash and cash equivalents and restricted cash

(3) Balances related to 2012 have been restated to reflect the impact of the adoption of IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*

(4) Reconciliation of non-IFRS measures is provided under *Non-IFRS Measures of Performance* of this press release.

(5) Using the average exchange rate.

(6) Including topographic drilling of 4.0 million tonnes in 2013 and 2.5 million tonnes for the year 2012.

(7) Reconciliation of non-IFRS measures is provided under *Note Regarding Certain Non-IFRS Measures of Performance* of this press release.

(8) Restated to reflect the adoption of IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*.

(9) Reconciliation of non-IFRS measures is provided under *Non-IFRS Measures of Performance* of this press release.

(10) Reconciliation of non-IFRS measures is provided under *Non-IFRS Measures of Performance* of this press release.

## Contact

[Osisko Mining Corp.](#)

John Burzynski, Vice-President Corporate Development  
(416) 363-8653

Osisko Mining Corp.  
Sylvie Prud'homme, Director of Investor Relations

(514) 735-7131 or Toll Free: 1-888-674-7563  
[www.osisko.com](http://www.osisko.com)

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